

Now, there are people in China who don't want this to pass. The most militant elements in the military, the most traditional elements, the people who control the state-owned industries—they don't want this to pass, because they know if they open up China, their control will be undermined. and in one of the great ironies of this whole trade debate, I've never—it's an unusual thing to see that some of the most progressive people in our country are taking a position that is supported by only the most regressive people in their country. Because they know that isolation helps them to maintain control and the status quo.

I honestly believe this is by far the most important national security vote we will take this year. I think if we pass it, it will strengthen and stabilize our position in Asia and reduce the likelihood of conflict, even war, there for a decade. I think if we don't pass it, it will increase the chances that something bad will happen.

That's not a threat, and goodness knows if I didn't prevail, I would pray that I was wrong. I can only tell you that I've been doing this a long time. I believe I know what I'm talking about, and I think that it's very, very important.

And so, for whatever it's worth, that's why we're here. And Tom was good enough to get this panel together so we could just have a conversation. That's what this is about, and I want to hear from you. And I'm sure after this is over all our friends in the media will want to hear what you said to me. *[Laughter]* And you feel free to tell them. But I think we ought to start now and have that conversation.

Thank you.

NOTE: The President spoke at 11 a.m. in a classroom at the Ohio Army/National Guard Facility. In his remarks, he referred to Hong Kong Democratic Party Chair Martin Lee; and President-elect Chen Shui-bian of Taiwan.

Remarks to the Community in Shakopee, Minnesota

May 12, 2000

Thank you. Well, first of all let me say I thank you all for coming out today. And I'm glad the weather made it easier on us.

I want to thank Terry and Kitty and Gene Hauer for welcoming us to their farm. I think we ought to give them a big hand; we have invaded them—*[applause]*. We managed to find enough unplanted space that I don't think we're taking their income away, but we certainly have invaded them today.

Dallas, thank you for your introduction and for your example. Secretary Glickman, thank you very much for the work you're doing, not only on this issue but on so many others to help the farmers of America. And I want to echo what you said about David Minge. He's a wonderful person. I've loved working with him these years I've been President. He is a straight shooter—although he never tells me any of those Norwegian jokes he's always telling Glickman—*[laughter]*—so I expect to get my quota before I leave.

But you should know that he is an extraordinarily attentive Representative for you. I don't even know how many times he's mentioned some specific thing of importance to the people of this district and the people of Minnesota. But if everybody worked on me as hard as he has the last 7 years, I wouldn't get anything else done, because he really does a good job for you.

I want to acknowledge in the audience today the presence of your Lieutenant Governor, Mae Schunk; the attorney general, Mike Hatch; Treasurer Carol Johnson; your State Ag Commissioner, Gene Hugoson—I think that's the right pronunciation—and the mayor of Shakopee, Jon Brekke, and his wife and beautiful daughter came out to the airport and met me. And I have here, somewhere, a beautiful crayon drawing she made for me—*[laughter]*—which I'm going to take back to the White House and save as a memory of coming here. It was really beautiful.

I want to thank Bob Bergland, also, as Dan Glickman did. And I understand the former

Governor of North Dakota, Alan Olson, is here. Welcome. I thank you for coming over.

But I want to say a special word of appreciation to a man who's been my friend for 25 years and one of my favorite people in the whole world: our former Vice President, your former Senator, and my former Ambassador to Japan, Walter Mondale. Thank you for being here. Thank you so much. I spent most of my early life listening to him speak. I'm just trying to get even now. *[Laughter]*

I also want you to know that I brought with me two representatives of American agriculture today when I came in on Air Force One: Scott Shearer with Farmland Industries, Nick Giordano of the National Pork Producers, and Susan Keith of the National Corn Growers, and they're out there working to help us. I thank them.

I want to also say to the people who are here from New Ulm, I'm sorry that I couldn't come out to your community. I hope you'll give me a raincheck. What really happened was—you know, politicians always give you some sidewinding excuse. Well, I'll tell you what happened. What really happened is, I've got to go back to work in Washington tonight, and I have to get back there an hour and a half earlier than I had originally thought I had to be there. I'm glad I got to come to the Hauers' farm, and I hope I get to come back there.

We have a community in my home State of Arkansas called Ulm. It's near Almyra, which is near Stuttgart—*[laughter]*—which is near Slovak. *[Laughter]* And they grow rice down there.

I'm glad to be back in Minnesota. I was in St. Paul last week, at America's first charter school, on my education tour. And I'm coming back in a couple of weeks to speak at Carleton College. If I come anymore, you'll make me pay taxes here, but I've had a good time. *[Laughter]*

I'd like to also acknowledge somebody who can't be here today, but somebody I really want to thank. Last week we had an astonishing event at the White House with President Carter and President Ford and virtually every living former Secretary of State, former Secretaries of Agriculture, former Trade Ambassadors, former Secretaries of Defense, National Security Advisers, two former

Chairmen of the Joint Chiefs of Staff. A whole history of the last 50 years in America was represented in the White House that day—except for Vice President Mondale's predecessor as Ambassador to Japan, Mike Mansfield, our former Senate majority leader; he's 98 years old now. When he was 15, he lied about his age to get into World War I. *[Laughter]* He's from Montana, and he's about—he would give a speech about as short as the one Terry gave today. *[Laughter]* Sort of consonant with coming from the northern part of the United States.

But when we swore Fritz in, Mike Mansfield came, and I said—you know, he was then, I think, 91 or 92—I said, "You know, he walks 4 miles a day." And Mansfield stood up in the back, and he said, "Five." *[Laughter]* So when he was 98 I said, "Mike, are you still walking every day?" He said, "Yeah, but I'm down to 2 miles a day." So I figure if we could all walk 2 miles a day at 98, we'd be doing pretty well.

I also want to thank your Governor, Jesse Ventura, who was there. He was the only sitting Governor who came. And he's been just great to support this initiative, and I'm grateful for him. It's good for you, and it's good for America. He's not a member of my party; he didn't have to do it, and it meant a lot to me that he showed up. I hope that it will mean something to you, too.

When my staff was boning me up on getting ready to come here and briefing me about the history of this area, I learned that the first citizens of Shakopee—I'll get it right—were pioneers in more than one sense. Way back in the 19th century, they were already trading with China. China was then the biggest and richest fur market in the world, and many of the pelts they bought came from here, from the shores of the Mississippi and Minnesota Rivers. They found markets in China.

Then trade was a small, though interesting part of your past. It's going to be a much bigger part of your future, one way or the other. That's why I wanted to come here to talk about expanding trade in China, what it means for farmers like you, for States like Minnesota, and, even more important than that, for the future of our children and America in this new century.

In less than 2 weeks, Congress will vote on whether to provide permanent normal trading relation status with China. Now, PNTR, that's pretty arcane sounding. But what it means, as you've already heard, is that China will join about 130 other countries with whom we have trading that is governed by international rules of trade, plus whatever specific agreements we have with them.

In 1979, when President Carter and Vice President Mondale and Bob Bergland were involved in opening our relationships with China, we signed a trade agreement. And ever since then—and 21 years, now, every year—we have granted them what used to be called most-favored-nation, but really was normal trading relations. We did it on an annual basis. And the idea behind doing it on an annual basis was, we knew we had big differences with the Chinese. They were a Communist country; we were a democracy. They had labor, human rights, and religious rights practices with which we did not agree. We were trying to continue to work with them to resolve their differences with Taiwan on a peaceful basis. And it was thought that the Congress reviewing this every year would give Congress—and through Congress, the President, whoever that happened to be—some way of reviewing where we were with China; whether it was in our larger national interests, as well as our economic interests, to review this every year.

So now, I am proposing that we give them permanent normal trading status and let them come into the World Trading Organization, where they'll be governed by the same rules that govern us and all the other countries that are in it. And I came to tell you why I think we ought to make that change.

The biggest benefit, as you have heard from Secretary Glickman, will probably go to the agricultural sector, in economic terms. One out of every three American acres grows exports. We are the world's largest exporter of agricultural products. During the last 5 years, in spite of the Asian financial collapse and the terrible thing it's done to farm prices, we've still seen our exports nearly double. If you look at gross cash receipts, trade means about twice as much to America's farmers as it does to the economy as a whole.

Minnesota is third in soybean exports and production, fourth in corn—feed corn—seventh in overall agricultural exports. In 1998 Minnesota sold \$2.4 billion in agricultural products to foreign markets, \$316 million to China—more than twice what you sold in 1993, when I became President.

As Secretary Glickman described, the magnitude of the Chinese market virtually defies the imagination. There are 1.3 billion people in China. It's no wonder already China consumes more pork than any other nation. It is also the world's largest growth market for soybeans and soybean products. When I was Governor of Arkansas, back 15, 16 years ago, I used to go to Taiwan. And Taiwan was our biggest export market; they have 17 million people. And since the Chinese people are the same, if you extrapolate from 17 million to 1.3 billion, it's almost incalculable what this could mean for soybeans. The dairy consumption in China is going up as people's incomes rise.

Now, that's the way they are today, with a fairly modest per capita income. It is projected that over the next 30 to 50 years, China will have the biggest economy in the world. And obviously, as the people grow wealthier and move more and more to the city, the markets will grow, not only because more people will be able to buy food but the per capita food consumption will go up.

What does it mean for China to go into the World Trade Organization? It means they won't subsidize their farm sector as they used to. They're already making adjustments—planting less wheat and less cotton, for example. There is no way the Chinese farmers can keep pace with the growth of their own consumers. But America's farmers can. And Congress can give you the chance to do so, but only if it votes for permanent normal trading relations. And I want you to understand why: because in order for the members of the World Trade Organization to let China in, and then to benefit from whatever trade concessions China makes—and they've made the most in their agreement with us—every one of the members has to agree to treat China like a member. So if we don't vote for permanent normal trading relations, it's like we're saying, well, they may be in there, but we're not going to treat

them like a member. And if we don't do that, what it means is, we don't get the benefit of the deal I just described to you. That's what this is all about.

This agreement, which we negotiated—and it's self-serving for me to say, I realize that, because it was negotiated by our Trade Ambassador, Charlene Barshefsky, with heavy input from Secretary Glickman and Gene Sperling, my National Economic Adviser, who was there in China with her—but it really is a hundred-to-nothing agreement economically. Normally, when we negotiate a trade agreement, we swap out, just like you do if you make a deal with somebody. Somebody says, you know, "I'll give you this," and you say, "Okay, I'll give you that."

This is not a trade agreement in that sense. This is a membership agreement. They say, "If you let us into this world trading unit, we'll abide by the rules, including rules that we weren't governed by before. And, in order to get in it, we'll agree to modernize our economy, which means we will drop our tariffs, open our markets, let you sell into our markets, let you invest in our markets." It is a huge deal.

If you look beyond agriculture, it used to be that if we wanted to sell manufacturing products in China, they'd say, "Fine; put a plant here." Or if we wanted to sell some high-tech products, they'd say, "Fine; transfer the technology to us." Now—that's one reason we have representatives from 3M company here—we'll be able to sell for the first time into the Chinese market American cars, for example, without putting up auto plants, without transferring the technology.

But nowhere will the benefits be greater than in agriculture. You've already heard from Dallas that export subsidies have kept American corn and other products from being priced competitively. No more. No more baseless health barriers, which China uses or has used, to keep our beef and poultry outside their borders. No more high tariffs on feed grains, soybeans, vegetables, meat, and dairy products. Indeed—as Secretary Glickman reminds me from time to time when we have problems with our European neighbors and friends—the Chinese have offered us lower tariffs on some farm

products than the European Union imposes today.

Now, China's going to grow no matter what we do, and they're going to get into the WTO. The only issue here—the only issue is whether we are prepared to give up this annual review in return for the economic benefits that we have negotiated. That is the decision before the Congress, and it seems to me that it's a pretty easy decision. I think if Congress turns its back on this opportunity, we'll spend the next 20 years regretting it. And I know we'll spend the next 20 years paying for it, in ways that go far beyond dollars in farm families' pockets.

This is a vote for our economic security. China agrees to play by the same trading rules we do, and if we don't like it, we have two options. One is, we can pursue them in the world trading organization mechanisms, which means it won't just be America against China, and they won't be able to say, "There are those big, ugly Americans trying to take advantage of us." It'll be us and everybody else who plays by the same rules.

But in addition to that, you need to know that we negotiated an agreement with China unlike any one we have with any other country, which says that we can go against them bilaterally, us against them, if they dump products in our market, or if for some reason, like changing currency, there's an enormous surge of their products in our market threatening to dislocate a lot of Americans. And they have agreed to let us bring action with a lower standard for proof of injury than we have in our own trade laws. Plus which we have got money set aside to monitor this agreement in greater detail than any one we've ever had. So I think it's a pretty clear issue.

Now, why isn't everybody for it? Well, some people say, "Well, maybe they won't keep their word." Well, we have trade disputes all the time. We've got two outstanding with Europe still that haven't been resolved, where we just keep running around. But you've got a better chance of getting it resolved with people in a rules-based, law-abiding international system than outside it.

Some people say, "Well, they still do a lot of things we don't like." Well, that's true. But

I can tell you that we'll have a lot more influence on Chinese foreign policy, when it comes to the proliferation of dangerous weapons, and on human rights and religious rights and political rights in China, if we have an open hand of working with them, than if we say no, if we turn our backs on them. I am absolutely certain of that.

And I just want to point out, that is why all of our allies in Asia, the democracies—Japan, South Korea, the Philippines, Thailand—these countries want us to give them normal trading status. They're very worried that we might not do this and that it will increase tensions in Asia and increase the chance of something bad happening between Taiwan and Japan and make China focus more on military buildups than building their economy and their relationships with their neighbors. That's why the President-elect of Taiwan wants us to approve this.

That's why Martin Lee, who's the leader of the democracy movement in Hong Kong—a man prohibited by law from even going to China. If anybody ought to have an axe to grind, you'd think he would. He came here to America to tell the Congress they had to vote for this because that was the way to get human rights and political freedom in China, to put them in a rule-based system of international law.

Yesterday there was a detailed report in the Washington press interviewing dissidents in China, people who have been persecuted for their beliefs. Every one interviewed said, America has got to approve this, otherwise America will have no influence to try to keep moving China toward democracy and freedom.

You know, we get frustrated, but China is an old country, and it's changing fast. Two years ago there were 2 million Internet users. Last year there were 9 million. This year there will be over 20 million. At some point, you tell me, when they get to 50 or 100 or 150 million—which by then will still be barely more than 10 percent of their population—the country will change forever. You cannot maintain top-down control.

And I think it might be interesting for you to know that not everybody in China wants us to do this. You know who is against it in

China? The most reactionary elements in the military and the people that run those old, uncompetitive state-owned industries that want to keep those subsidies coming, that want to keep these markets closed, and that want to keep their thumb on the little folks in China.

Look, this may or may not work out. I can't tell you what the future will hold. Nobody knows that. And the Chinese will have to decide what path they take to the future. All I know is, this is a good economic deal, and it's an imperative national security issue, because we ought to at least get caught trying to give every chance to the Chinese to take a responsible path to tomorrow, to have a constructive relationship with this country when our children are grown, when our grandchildren are in school. We don't want a new arms race. We don't want every mutt in 2010 or 2020 to be calculating—see the papers full of stories about whether we're calculating whether we've got enough nuclear missiles against the Chinese.

We ought to give this a chance. We ought to give the future a chance to work. It's a great deal for you now. But as much as I want to help the farmers here and the farmers home, in Arkansas—so when I go home, they'll still let me come around—*[laughter]*—it's far more important to me to do the right thing by our national security, to give our children a chance to live in the most peaceful world in human history.

And that's what this is all about. So I hope you will support David Minge. I hope you will ask your Senators to vote for this. I hope you will ask the other Members of the Minnesota delegation to vote for this. And I hope you will tell people that it is clearly the right thing to do economically. It is clearly the next logical step from the historic news made in the Carter/Mondale administration in 1979.

But the most important thing is, it gives us a chance to build the future of our dreams for our children. People ask me all the time, "Now that you've been President 7 years, what have you learned about foreign policy?" And I always tell them, it's a lot more like real life than you think. And 9 times out of 10, you get a lot more reaching out a

hand of cooperation than you do shaking a clenched fist. That's what this is about.

Now, if they do something that's terrible that we're offended by, we don't give up a single right here to suspend our trade relations or do anything else that any emergency conditions might dictate. All we're doing is saying we'd like to build a future with you if you're willing to do it. And we're prepared to work over the long run.

I thank you for coming here today. I ask you to recognize that this is not a foregone conclusion. I believe it is by far the most important national security vote that Congress will cast this year. And if you can do anything as an American citizen, as well as Minnesota farmers, to help us prevail, you'd be doing a great thing for our grandchildren.

Thank you, and God bless you.

NOTE: The President spoke at 2:35 p.m. in the barnyard at the Hauer Farm. In his remarks, he referred to farmers Terry Hauer, his wife Kitty and father Gene; Dallas Bohnsack, chair, Scott County Board of Commissioners, who introduced the President; former Secretary of Agriculture Robert Bergland, member, University of Minnesota Board of Regents; Scott Shearer, director of national relations, Farmland Government Relations; Nick Giordano, international trade counsel, National Pork Producers Council; Susan Keith, senior director of public policy, National Corn Growers Association; President-elect Chen Shui-ban of Taiwan; and Mayor Jon Brekke of Shakopee, MN, and his wife, Barb, and their daughter, Maria.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

May 6

In the afternoon, the President traveled to Fayetteville, AR.

May 7

In the morning, the President and Hillary Clinton traveled to Little Rock, AR, and in the evening, they returned to Washington, DC.

May 8

In the morning, the President traveled to New York City to attend funeral services for John Cardinal O'Connor at Saint Patrick's Cathedral.

In the evening, the President returned to Washington, DC.

The White House announced that the President has invited President Thabo Mbeki of South Africa for a state visit on May 22.

May 9

The President announced his intention to nominate Marjorie Ransom to be Ambassador to Yemen.

The President announced his intention to appoint Jerome A. Stricker as a member of the Advisory Committee to the Pension Benefit Guaranty Corporation.

The White House announced that the President will meet with President Fernando de la Rúa of Argentina on June 13 in the Oval Office.

May 10

The President announced his intention to appoint Eva S. Teig as U.S. Representative to the Southern States Energy Board.

The President announced his intention to appoint Charles (Chuck) Yancura as a member of the Advisory Council of the Border Environment Cooperation Commission.

The President announced his intention to appoint John R. Roderick as a member of the Arctic Research Commission.

The President declared an emergency in New Mexico and order Federal aid to supplement State and local recovery efforts in the area struck by severe fire threats on May 10 and continuing.

May 12

In the morning, the President traveled to Akron, OH, and in the afternoon, he traveled to Shakopee, MN. Later, the President returned to Washington, DC.

The President announced his intention to nominate Pamela E. Bridgewater to be Ambassador to Benin.

The President announced the nomination of Barry E. Carter to be Assistant Administrator, Bureau of Global Programs, Field Support, and Research at the U.S. Agency for International Development.